



13th EBES CONFERENCE - ISTANBUL PROGRAM AND ABSTRACT BOOK

JUNE 5-7, 2014
ISTANBUL, TURKEY

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Bilgi Üniversitesi**

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that there is in general downward trend in positive, negative and absolute level of earnings management practice from 2004 to 2012 among Saudi listed companies. There is significant deferent in level of earnings management during the periods before and after corporate governance code and this deference has become more evident from 2010 to 2012 relatively to the period from 2006 to 2009 . Originality– The study contributes to the literature by examining the relation between and the trend of earnings management practice for long period from 2004 to 2012 using total accruals approach in Saudi Arabia as one of the emerging markets.

Keywords: Saudi Arabia Stock Market, Earnings, Earnings Management, Performance Model, Corporate Governance, Abnormal Total Accruals

Ashabiyah View of Tax Compliance

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Abstract

By using Ibn Khaldun's philosophical is what he calls "ashabiyah", this paper is intended to expand the theory of tax compliance from Islamic perspective. Ashabiyah, the well-known theory of Ibn Khaldun in his book *al-Muqaddima* (introduction) which commonly translated by "clan feeling" or "ethno solidarity" or "group feeling" or "social cohesion" is an elan vital for the rise of civilization in the Muslim civilization in the past. Unfortunately, there has been very limited literature in expanding tax compliance from Islamic view. Most literature focused more on using cost and benefit as rational dimension of secular philosophy and none has included the Islamic tradition in explaining tax compliance. It was too narrow and too rational in exploring complexity of human behavior. On the other hand, Islamic tradition recognized that behavior is reflected by not only rational (mind) consciousness but also feelings consciousness (social function; ashabiyah) as well as God consciousness (spiritual function; zakah or Islamic alms). God as ultimate principle would bring consequence that all Muslim does behave in accordance with God's law. Since ethnicity fused with religion, Muslim society could disseminate God's blessing to the universe (rahmatan lil 'alamin) by scale of priority and consequently give precedence to their families – in narrow context like a blood relationship (kinship), relatives, neighbors, and ummah (society); and broad ones like the nations or universe. Since zakah requires distribution of wealth to the needy, mainly starting from close relationship, this tenet in line with ashabiyah's purpose. Through ashabiya, Muslim fulfills its religion values as well as social values. Based on these arguments, Muslim tends to put tax in a last priority after prosperous of their narrow relations as social care. Therefore, self welfare or utility function is not main reason in explaining tax non-compliance in Islamic society, but because another spiritual and social purposes in narrow context.

Keywords: Ashabiyah, Tax Compliance, Behavior, Islamic Tradition

JEL Classification: D69, H26

HUMAN RESOURCES

Room: 304

Chair: Mark Teachout

Pay Inequity and Job Performance: The Case of Back-office Employees in an Insurance Company

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Abstract

Drawing on regular personnel data from a large and international German insurance company, this study investigates the relation between individual's pay inequity and their job performance. Three pay inequity measures, inequality, envy and altruism are measured across different pay components (total pay, commissions, one-time bonuses as well as salaries). The back office employee's productivity was measured by the total value of commissions paid out to the company's exclusive sales agents who are supported by the employee. Our result shows that 'envy' has constructive effects on excess performance, and 'altruism' produces detrimental effects. While 'inequality' shows no such effects and it never shows the predicted sign. And these effects are not uniform for all types of pays. The lead-lag regressions of salaries inequity on excess performance exhibit the salary adjustment process for performance. The lagged effect of the one-time bonuses shows the calculation of